



Department of Energy

P.O. Box 2567  
Grand Junction, CO 81502-2567

May 25, 1982

Mr. George Warnock  
Todilto Exploration and Development Corp.  
3620 Wyoming Boulevard, NE, Suite 201  
Albuquerque, NM 87111

Subject: Mining Lease No. AT(05-1)-ML-60.8-NM-B-7

Dear Mr. Warnock:

Article VI of the mining lease referenced above provides for a minimum royalty to be paid to the U.S. Department of Energy.

This letter is simply to remind you of this provision and that the minimum royalty will be due for this lease on June 12, 1982. Since some of our lessees have expressed some misunderstanding in this regard, you are further advised that such annual minimum royalties are to be paid irrespective of the amount of production royalty which may have been paid pursuant to Appendix B of each lease. As provided in Article VI, however, minimum royalties paid will be credited against production royalties which become payable during the lease term.

Sincerely,

William F. Archbold  
Contracting Officer

bcc: W. F. Archbold  
G. R. Grandbouche  
G. C. Ritter, BFEC (3)

UR&P  
GRGrandbouche:11p  
5/25/82

UR&P  
Hansen  
5/25/82

MAD  
MEC  
5/24/82

PROC  
WFArchbold  
5/26/82